



STATE OF CALIFORNIA  
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**FTB NOTICE 2005 - 3**

**September 21, 2005**

**SUBJECT: REQUEST FOR PUBLIC COMMENT  
DISCUSSION DRAFT MEMORANDUM REGARDING PROPOSED  
CHANGES TO CALIFORNIA  
CODE OF REGULATIONS, TITLE 18, SECTION 25137-14**

The Franchise Tax Board staff has prepared a discussion paper for a new proposed regulation that would be adopted under Revenue and Taxation Code section 25137. The new proposed regulation would address the apportionment method to be utilized by mutual fund service providers in determining their apportionable income subject to California tax.

To broadly inform the public about this regulation project, the Franchise Tax Board staff is making the discussion paper, as well as examples of language adopted by other states addressing the apportionment formula for mutual fund service providers, available to the public for review prior to the symposium. No draft proposed regulatory language is being provided at this time; instead, staff will develop proposed regulatory language after the public comment period for the symposium has concluded.

For copies of the discussion paper and the example language adopted by other states, or for further information regarding this notice, contact Colleen Berwick at the Franchise Tax Board Legal Branch, P.O. Box 1720, Rancho Cordova, CA 95741-1720; Telephone (916) 845 - 3306; Fax (916) 845 - 3648; E-Mail: [colleen.berwick@ftb.ca.gov](mailto:colleen.berwick@ftb.ca.gov) . The discussion paper and the example language adopted by other states are also available at the Franchise Tax Board's website at <http://www.ftb.ca.gov>.

The department has scheduled a symposium to discuss the discussion paper for the proposed regulation starting at 10:00 a.m. on October 28, 2005, at the Franchise Tax Board, Central Office, 9646 Butterfield Way, Sacramento in Room 1040 of Phase II. Written comments may be addressed to Ms. Berwick and should be received by the Franchise Tax Board no later than 5:00 p.m. on October 28, 2005. **If no public interest is voiced and no written comments are received by October 13, 2005, the symposium will be canceled. Notice of cancellation, if applicable, will be published on the Franchise Tax Board's website no later than October 21, 2005.** If you have any questions regarding the symposium, please contact Ms. Berwick.

If a draft of a proposed regulation is later officially noticed under the Administrative Procedure Act, any comments received pursuant to this notice or at the symposium will be entered into the regulation record. Participants may also comment at the symposium without name attribution.

A summary of the symposium will be made available to all participants, and will also be entered into the regulation record, if any.

If you are interested in being added to the mailing list for the proposed rulemaking action that may follow the symposium, please advise Ms. Berwick at the above address and she will add your name to the mailing list.

The principal author of this notice is Carl A. Joseph of the Franchise Tax Board, Legal Branch. For further information regarding this notice, contact Mr. Joseph at the Franchise Tax Board, Legal Branch, P.O. Box 1720, Rancho Cordova, CA 95741-1720.